# GOVERNMENT OF INDIA
# LABOUR
# LOK SABHA

UNSTARRED QUESTION NO:1007
ANSWERED ON:08.12.2003
EXEMPTION OF UNITS LOCATED IN SPECIAL ECONOMIC ZONES
PUTTASWAMY GOWDA

**Will the Minister of LABOUR be pleased to state:**

(a) whether the Union Government propose to exempt the units located in Special Economic Zones from making any contribution towards Provident Fund and Employees Insurance Scheme for five years;

(b) if so, the reasons therefore; and

(c) the measures taken/proposed to be taken by the Government to see that the employees of these units are compensated for these years?

## Answer

MINISTER OF LABOUR (SHRI SAHIB SINGH VERMA)

(a) to (c): It has been decided that in respect of Special Economic Zones, the State Government may apply for exemption, to the Central Government under Section 16(2) of the Employees` Provident Fund and Miscellaneous Provisions Act, 1952, from the applicability of the provisions of the Act to SEZ for 5 years. The decision shall be taken on a case-to-case basis.

In respect of the ESI Act 1948, the State Government, being the appropriate Government, may take a decision as per the powers provided under the Act.